

Town of Lunenburg

Finance Committee:
Terri Burchfield, Chairman
Mark Erickson, Vice-Chairman
Jay Simeone, Secretary
John Henshaw
Hannah Anderson



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Lunenburg Finance Committee Minutes July 28, 2016

Location: Town Hall
Present: Terri Burchfield, Mark Erickson, Jay Simeone, John Henshaw, Hannah Anderson
Absent: None
Also Present: Kerry Lafleur – Town Manager
Guest: George Martin

1. Terri called the meeting to order at 7:00 pm.
2. Communications:
 - a. Public: None
 - b. Special Town meeting warrant was sent out for reviewing.
 - c. The Beacon newsletter was received.
 - d. The annual meeting of Town Finance Committee's is being held at Devens on October 15th.
3. Reorganization:
 - a. Review committee – department assignments
 - b. Mark E. Town Manager search comm. Building reuse. School building comm.
 - c. Terri B. Library, Public Safety
 - d. John H. Capital Planning, PAC, COA, DPW
 - e. Jay S. Sewer, GCTF
 - f. Hannah A. School Comm. Monty tech school
4. Town Manager reports:

The TM will be presenting the DPW union contract on Tuesday and expects the DPW contract will be ready for STM.

The Police contract proposal will also be presented, but may not be accepted by the board.

The TM met with the School Superintendent last week. The Superintendent and the School Committee are going to ask Town Meeting to restore an amount equal to the loss of the kindergarten grant money from the initial chapter 70 funding, estimated at \$37K. School committee also feels the all the additional Chapter 70 funds should be going the schools for FY16. TM advised that the 37k was reasonable request to continue the kindergarten program.

One issue raised by committee member's is the use of non recurring funds for recurring programs like the kindergarten program.

FY-16 40S State revenue expected to be received is \$214,662. Which is higher than the \$166,960 that was anticipated, but still not 100% of what the Town should have received.

Additional Chapter 70 funds received for FY17 is \$102,707. The committee discussed several options on where to appropriate the funds.

Net increase in revenue on the town side is \$144,733. Net education revenue is \$78,845. Net other revenue is 35,888

Article 1 of the STM is for budget adjustments like the school kindergarten program.

5. Review of minutes:

- a. Review of 6-9-16 minutes – Mark motion to approve. Jay seconded. All in favor.

6. Budget Goals and Opportunities:

- a. Review financial policy for managing debt service
- b. John H. is working on a spreadsheet showing debt service target numbers. John presented a spreadsheet showing debt exclusion numbers for FY13 thru FY20.
- c. Discussion regarding the debt service as a percent of the tax levy. Non excluded debt, borrowing, Should there be a maximum debt limit? How much excluded debt would the town be willing to take on? How much regular borrowing is appropriate? Mark suggested there may be three numbers to look at regarding the debt policy:
- d. One -Debt service on the excluded debt as a percent of the total levy.
- e. Two - Debt service on the non excluded debt as a percent of the regular levy.
- f. Three - Total debt as a percent of the total levy. Provide a guide line for each number.
- g. Turkey Hill Middle School. How much debt should be incurred to rebuild or replace a school building? How does debt, regular or excluded, affect the budget, long term borrowing, and the Town bond rating.

7. Committee reports:

<u>Committee/Department</u>	<u>Update</u>
Public Access Cable—John H.	PAC is meeting August 1 st . To review FY17 budget.
Capital Planning—John H.	No meeting scheduled
Dept. of Public Works—John H.	Meeting with DPW Director week of August 8 th .
Library-Terri B.	No report
Public Safety – Terri B.	No report
Schools, Monty Tech,	No report
Green Task Force - Jay S.	No report
Sewer Commission - Jay S.	No report
School Bldg. Comm.	Demo of the old Lunenburg High School has started.
Building Re-use,	Planning to meet on August 15 th . They received 3 proposal for response to the revised RFP for a market analysis to evaluate. There may a separate proposal being submitted. All three bids were over the budget amount. One was close.
Town Manager search comm. Mark E.	First organizational meeting on July 20 th . Committee members: Tim Murphy – Town Moderator, Chairman, Jamie Toale – BOS, Mathew Allison – Planning Board, Mike Macklin – School Comm. Mark Erickson – Finance Comm. Began collecting information. BOS is moving forward with Interim Town Manager. They have draft goals. Next meeting is August 18 th .

8. Ongoing business:

Pavement Management plan has started in Hickory Hills area.

9. Next meeting: August 11, 2016, 7:00 p.m. – Town Hall – Regularly Scheduled Meeting with Public Hearing for STM articles.

10. August 22, 2016 - Special Town Meeting at the new high school.

11. Adjournment: Motion to adjourn by Mark H. Seconded by John H. 8:10 pm.